

## Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 COME-00 SP-02 ICA-20 AID-05  
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04  
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L-03 PA-02 IO-14 /144 W  
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R 200830Z APR 78  
FM AMEMBASSY DACCA  
TO SECSTATE WASHDC 8946

UNCLAS DACCA 2442

E.O. 11652: N/A  
TAGS: ETRD, BEXP, BG  
SUBJ: INTERAGENCY TASK FORCE TO DEVELOP A  
NATIONAL EXPORT POLICY

REF: STATE 095673

1. WE SUGGEST THE TASK FORCE CONSIDER THE FOLLOWING PROPOSALS FOR INCREASING U.S. EXPORTS. SINCE BANGLADESH DOES NOT OFFER GREAT SCOPE FOR U.S. EXPORT GROWTH, THESE ARE SUGGESTIONS OF GENERAL APPLICABILITY.

2. EXPORT FINANCING: U.S. EXPORT IMPORT BANK FINANCING OF U.S. EXPORTS TO NATIONS WHICH ARE CAPABLE OF SERVICING SUCH CREDITS SHOULD BE EXPANDED AND TERMS MADE MORE ATTRACTIVE, BY NEW LEGISLATION IF NECESSARY. U.S. PRODUCTS HAVE AN UNPARALLELED REPUTATION IN FOREIGN MARKETS, YET WE LOSE MANY EXPORT OPPORTUNITIES SINCE EXIMBANK FINANCING IS NOT AS AVAILABLE OR ATTRACTIVE AS PROGRAMS OFFERED BY JAPAN AND SOME WEST EUROPEAN GOVERNMENTS.

3. PROCUREMENT BY MULTILATERAL AID DONORS: TO TAKE MAXIMUM ADVANTAGE OF OPPORTUNITIES TO SUPPLY EQUIPMENT AND UNCLASSIFIED

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SERVICES TO PROJECTS FINANCED BY THE WORLD BANK, ADB AND OTHER IFIS, THE U.S. REPRESENTATIVES TO THESE INSTITUTIONS SHOULD ESTABLISH A MORE EFFECTIVE "EARLY WARNING" SYSTEM ALERTING U.S. COMPANIES, VIA THE DEPARTMENT OF COMMERCE, TO POTENTIAL OPPORTUNITIES. REPRESENTATIVES OF U.S. COMPANIES HERE EXPRESSED INTEREST TO EMBASSY ECONOFF IN MORE SYSTEMATIC ACCESS TO INFORMATION ABOUT

IFI PROJECTS.

4. TIED AID PROCUREMENT: THE PARTIAL UNTYING OF U.S. AID SHOULD BE REEXAMINED TO DETERMINE IF RETYING WOULD SUBSTANTIALLY CONTRIBUTE TO U.S. EXPORTS WITHOUT REDUCING THE VALUE OF OUR AID. THE BENEFITS CONFERRED ON THIRD COUNTRIES UNDER SECTION 941 OF THE FAA, THE TREND AWAY FROM LOAN TO GRANT FINANCING AND THE LOWER CURRENT COSTS OF U.S. GOODS AND SERVICES BECAUSE OF THE DECLINE OF THE DOLLAR ARE FACTORS TO BE CONSIDERED. (WE RECOGNIZE THAT HIGHER SHIPPING COSTS SOMETIMES MAKE U.S. GOODS MORE EXPENSIVE EVEN WHERE THE PRICE OF THE GOODS IS COMPETITIVE.) SUCH A STUDY MIGHT REVEAL NEW AREAS IN WHICH TIED PROCUREMENT COULD BOOST U.S. EXPORTS WITHOUT DIMINISHING THE VALUE AND UTILITY OF U.S. AID.

5. TAXATION OF U.S. BUSINESSMEN ABROAD: PROPOSALS TO AMEND SECTION 911 OF THE INTERNAL REVENUE CODE, WHICH COULD INCREASE NET TAXATION OF U.S. BUSINESSMEN ABROAD, WILL DISCOURAGE EMPLOYMENT OF AMERICAN CITIZENS BY U.S. AND OTHER MULTINATIONAL CORPORATIONS. THIS COULD SIGNIFICANTLY AFFECT U.S. EXPORTS SINCE CONTRACTING AND PROCUREMENT OFFICERS AND ENGINEERS WHO DESIGN PROJECTS ARE MORE LIKELY TO SPECIFY U.S. GOODS AND SERVICES IF THEY ARE AMERICAN CITIZENS.

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6. RESEARCH AND DEVELOPMENT: THE COMPARATIVE ADVANTAGE OF U.S. IN WORLD MARKETS LIES IN HIGH TECHNOLOGY, RESEARCH-INTENSIVE MANUFACTURING AND SERVICES. A NATIONAL POLICY TO ENCOURAGE INVESTMENT IN THESE SECTORS, INCLUDING FINANCIAL INCENTIVES, SHOULD BE ADOPTED. AN IMPORTANT ADJUNCT OF SUCH A POLICY WOULD BE TO RESHAPE THE U.S. EDUCATIONAL SYSTEM TO BETTER EQUIP THE U.S. LABOR FORCE FOR TASKS IN WHICH WE HAVE A COMPARATIVE ADVANTAGE.

7. ADJUSTMENT ASSISTANCE: WHILE ADOPTING OTHER PROGRAMS TO ENCOURAGE EXPORT-ORIENTED INDUSTRIES, THE U.S. GOVERNMENT SHOULD ALSO STRENGTHEN ADJUSTMENT ASSISTANCE PROGRAMS UNDER OUR TRADE LAWS WHICH ARE DESIGNED, AS AN ALTERNATIVE TO TARIFFS, TO HELP INEFFICIENT, NON-COMPETITIVE, LOW TECHNOLOGY INDUSTRIES DIVERSIFY INTO MORE COMPETITIVE FIELDS.

8. ANTI-TRUST LAWS: U.S. LAWS AND REGULATIONS DESIGNED TO PROMOTE DOMESTIC COMPETITION MAY PUT U.S. COMPANIES AT A DISADVANTAGE IN INTERNATIONAL MARKETS WHERE

BUSINESSMEN FROM OTHER NATIONS DO NOT OPERATE UNDER  
SUCH RESTRAINTS. THESE LAWS SHOULD BE REEXAMINED TO  
ENHANCE OUR EXPORT COMPETITIVENESS. IN THIS CONNECTION,  
WE SHOULD EXAMINE WHAT MEASURES ARE NECESSARY AND POS-  
SIBLE TO ENCOURAGE THE ESTABLISHMENT OF EXPORT-  
ORIENTED TRADING COMPANIES WHICH HAVE BEEN A POWERFUL  
EXPORT VEHICLE FOR JAPAN.

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Comment:**  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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